

Message Text

LIMITED OFFICIAL USE

PAGE 01 MADRID 07782 062022Z

44

ACTION EB-07

INFO OCT-01 EUR-12 IO-10 ISO-00 SSO-00 NSCE-00 USIE-00

INRE-00 AGR-05 CEA-01 CIAE-00 COME-00 DODE-00 FRB-03

H-02 INR-07 INT-05 L-03 LAB-04 NSAE-00 NSC-05 PA-01

AID-05 CIEP-01 SS-15 TAR-01 TRSE-00 PRS-01 SP-02

FEAE-00 OMB-01 STR-04 /096 W
----- 032098

O R 061921Z NOV 75

FM AMEMBASSY MADRID

TO SECSTATE WASHDC IMMEDIATE 3564

INFO USMISSION EC BRUSSELS

USMISSION GENEVA

USDEL MTN GENEVA

LIMITED OFFICIAL USE MADRID 7782

E.O. 11652: N/A

TAGS: ETRD, SP

SUBJECT: SPAIN AND GSP

REF: MADRID 7732; STATE 260944

1. EMBOFFS MET TODAY WITH BASSOLS AND HIDALGO DE QUINTANA AT LATTER'S BEHEST TO DISCUSS GOS REQUEST FOR RENEWED CONSULTATIONS ON SPAIN'S GSP ELIGIBILITY. BASSOTS NOTED AT OUTSET HIS DISAPPOINTMENT THAT WASHINGTON FELT IT NEEDED A "PROGRESS REPORT" BEFORE AGREEING TO A FURTHER ROUND OF CONSULTATIONS. HE THOUGHT THIS IMPLIED DOUBTS CONCERNING THE SERIOUSNESS OF GOS EFFORTS TO SEEK MEANS REDUCE TRADE EFFECTS OF REVERSE PREFERENCIS TO LEVEL ACCEPTABLE TO USG, AND WAS IN CONTRAST TO CORDIAL ATMOSPHERE WHICH HE AND HIDALGO DE QUINTANA ENCOUNTERED IN THEIR WASHINGTON TALKS.

LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 MADRID 07782 062022Z

2. ON SPECIFIC QUESTIONS POSED IN REFTEL THEY HAD FOLLOWING TO SAY:

A. OUT OF TOTAL OF 62 PRODUCTS INCLUDED ON USG LIST, GOS COULD GIVE ASSURANCES THAT THE DIFFERENCE BETWEEN MFN RATES AND RATES TO THE EC ON A MINIMUM OF 35 COULD BE REDUCED TO NOT MORE THAN 5 PERCENTAGE POINTS. IT WAS POSSIBLE, AND EVEN PROBABLY, THAT THIS COULD ALSO BE DONE ON FIVE ADDITIONAL PRODUCTS, BUT THEIR CONSULTATIONS ARE NOT YET COMPLETE ON THESE. ON 10 PRODUCTS THEY ARE PREPARED TO DEMONSTRATE THAT TARIFF EFFECT IS NON-EXISTENT AND/OR THESE PRODUCTS ENTER SPAIN WITHOUT BEING CHARGED APPLICABLE DUTY RATES BECAUSE OF INDUSTRIALIZATION INCENTIVE SCHEMES. ON 12 PRODUCTS THEY FOUND THEMSELVES UNABLE TO EFFECT ANY REDUCTION. THE PROPOSED REDUCTIONS WOULD REDUCE TO NO MORE THAN 2 PERCENT THE ESTIMATED 7.5 PERCENT OF TOTAL U.S. TRADE WITH SPAIN ADVERSELY AFFECTED BY THE PREFERENTIAL ARRANGEMENT WITH THE EC.

B. THE GOS IS PREPARED TO ASSURE THE USG THAT IN THE REDUCTIONS TO THE EEC SCHEDULED BOTH IN JANUARY 1, 1976 AND 1977 THE MARGIN OF DIFFERENCE ON THE AGREED PRODUCTS WOULD NOT BE MORE THAN 5 PERCENTAGE POINTS. CURRENT RELATIONS WITH THE EEC WERE SUCH, HOWEVER, AND THE FUTURE HELD SO MANY UNHINDERABLES, THAT IT IS NOT POSSIBLE FOR THEM TO PREDICT WHAT SPAIN WOULD DO WITH RESPECT TO RELATIONS WITH THE EEC AFTER THE LAST REDUCTION TAKES PLACE ON JANUARY 1, 1977, OR FOR THAT MATTER IN THE INTERIM.

C. GOS WILLINGNESS AND ABILITY TO ELIMINATE PREFERENCE MARGINS IN FUTURE WILL DEPEND TO LARGE EXTENT ON EVOLUTION OF RELATIONSHIP WITH EEC AS WELL AS SPAIN'S EXPERIENCE OF GSP AND ASSESSMENT OF ADVANTAGES DERIVED THEREFROM. IT WOULD FIND IT DIFFICULT AT THIS JUNCTURE TO GIVE A COMMITMENT ON THIS POINT.

3. BOTH URGED THAT WASHINGTON BE ASSURED THAT GOS HAD DEVOTED BEST EFFORTS TO MEETING SSG REQUIREMENTS, AND ABOVE POSITIONS ARE RESULT OF A SINCERE, COMPREHENSIVE AND PAINSTAKING CONSULTATIVE PROCESS.

4. THEY ASKED EMBASSIES TO STRESS THE IMPORTANCE GOS LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 03 MADRID 07782 062022Z

ATTACHES TO BEING ON NOVEMBER 15 LIST OF GSP ELIGIBLES TO BE SUBMITTED TO CONGRESS. THEY ARE, OF COURSE, AWARE THAT SPAIN COULD BE SUBMITTED AT LATER DATE PRIOR TO JANUARY 1, 1976. THEY ARE APPREHENSIVE, HOWEVER, THAT SUBMISSION OF SPAIN'S NAME ALONE, OR IN COMPANY OF ONLY A FEW OTHER COUNTRIES, WOULD RUN THE SERIOUS RISK OF HAVING POLITICAL OR OTHER EXTRANEIOUS ISSUES RAISED AGAINST SPAIN'S APPLICATION. THIS IS UNDERSTANDABLY A RISK WHICH

GOS WISHES AVOID.

5. PLEASE ADVISE SOONST DECISION ON RENEWAL OF CONSULTA-
TIONS. FOR OUR PART, WE RECOMMEND THAT DISCUSSIONS BE
CONTINUED AS GOS HAS REQUESTED.

STABLER

LIMITED OFFICIAL USE

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: PREFERENTIAL TARIFFS, TARIFF NEGOTIATIONS
Control Number: n/a
Copy: SINGLE
Draft Date: 06 NOV 1975
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: ElyME
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1975MADRID07782
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D750386-0570
From: MADRID
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1975/newtext/t19751168/aaaacjdu.tel
Line Count: 121
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION EB
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: 75 MADRID 7732, 75 STATE 260944
Review Action: RELEASED, APPROVED
Review Authority: ElyME
Review Comment: n/a
Review Content Flags:
Review Date: 29 APR 2003
Review Event:
Review Exemptions: n/a
Review History: RELEASED <29 APR 2003 by BoyleJA>; APPROVED <31 OCT 2003 by ElyME>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
06 JUL 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: SPAIN AND GSP
TAGS: ETRD, SP, US
To: STATE
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 06 JUL 2006